

**ENVIRONMENTAL ASSESSMENT FOR MINOR REVISION
COAL AND URANIUM PROGRAM
MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY**

COMPANY NAME: Signal Peak Energy LLC

DATE: July 15, 2013

PERMIT#: C1993017

REVISION NO: MR173

LOCATION: Bull Mountain Mine, Musselshell Co, T6N, R26E, S13

Type and Purpose of Action:

The mine operator is proposing to increase the size of an existing clean coal stockpile. The mine is having difficulty getting enough trains to ship out the current coal production and is need of additional storage. The stockpile is currently permitted for 200,000 tons of storage with an additional 800,000 tons being proposed.

Potential Impacts and Mitigation Measures:

The proposal entails expanding the size and footprint of an existing stockpile. The stockpile is located within the active mining area and within a previously disturbed area. The area has a permitted surface water control plan with appropriate ditches and sediment ponds in place downstream. The expanded stockpile will entail a minor shifting of a ditch to route runoff around the expanded stockpile. The area was previously stripped of soil resources for latter regrading and reclamation.

The mine is consulting with air permitting concerning any necessary changes to their air quality permit. The mine does have permit commitments in place to address road dust from haul traffic. The haul route will be approximately 1,500 yards which will be entirely on within the mine facility area.

Alternative Actions:

No plausible alternatives in site location exist.

Prepared by: David Adair

Title: Mining Engineer

FC: 620.97 (MR173)

TO: Robert D. Smith, Permit Coordinator

FROM: David Adair

DATE: July 15, 2013

PERMIT ID: C1993017

REVISION TYPE: MR - Minor Revision

PERMITTING ACTION: Review

SUBJECT: MR173; Coal Stockpile 1A Perimeter

I have reviewed the MR submittal and have the following comments:

Map 308-2: This map must be presented in its proposed final form in order to be reviewed and approved. The overlap of the rock stockpile must be corrected and the old stockpile foot removed.

Map 314-1: This map needs to reflect the modified location of the stockpile berm ditches.

Because clean coal stockpiles have a marketable value no additional bonding is needed in this instance. No updated bond calculations are needed.

The following are the review comments proposed by Pete Schade with my comments added. Regarding SPE MR173, I submit the following deficiency comments:

1. CAD files were not included in the submittal. Please submit CAD files of the proposed Coal Stockpile 1A perimeter, and any other layers modified by this proposal. ***I agree.***
2. Coal Stockpile 1A footprint impinges on existing rock stockpile #3. Please modify the revision to address and rectify this interference. . ***I agree, see my comment above.***
3. An increase in stockpiled coal from 200,000 tons to 1,000,000 tons is substantial, yet the perimeter footprint of the coal stockpile has not increased significantly. A DEQ engineer will review the feasibility of the stockpile footprint in regards to its ability to maintain the proposed volume of coal to be stockpiled (1,000,000 tons). ***I checked the volumes and their estimates appear reasonable.***
4. Map 314-1 *General Grading and Surface Water Control* must be updated to include soil (topsoil and subsoil) stockpiles and associated hydro-control features to the immediate NW of Coal Stockpile 1A. . ***I agree, see my comment.***

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5. Map 314-1 *General Grading and Surface Water Control* must be modified to include the proposed perimeter of Coal Stockpile 1A and associated hydro-control features: containment berms, diversion and collection ditches, sumps/traps, and other features designed to manage and control runoff from Coal Stockpile 1A. . ***I agree, see my comment.***

6. Appendix 314-1 Surface Water Control Calculations must be updated to accommodate for the increase in size of Coal Stockpile 1A. ***I do not see this as being necessary. This area all drains to Pond E regardless of the stockpile size. The difference in the relative runoff rate or volume between the two stockpile sizes will be negligible.***

7. Map 308-2 identifies a subsoil stockpile to the east of Coal Stockpile 1A. On Map 314-1, this subsoil stockpile is labeled as Area 108 B(2) and is identified as 3.3 acres of undisturbed land. Please correct this inconsistency among the two maps with accurate and updated information. ***Agree***

FC: 620.951, 620.959 (MR173)